

From: "[REDACTED]"

To: Lesley Groff <[REDACTED]>

Subject: Fw: (Marketwatch)Jadestone Energy Inc. to acquire the Montara Oil Project from PTTEP, Offshore Australia for \$195mm

Date: Mon, 16 Jul 2018 17:44:15 +0000

Inline-Images: bottom.letterhead

Please pass to Jeffrey,, would love his involvement at this time. LMK if interested.

David

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

From: [REDACTED]

Sent: Monday, July 16, 2018 11:42 AM

To: edith

Subject: (Marketwatch)Jadestone Energy Inc. to acquire the Montara Oil Project from PTTEP, Offshore Australia for \$195mm

To Partners,

I am just back from London.. We will have a Livermore update letter end of month but wanted to send our latest on portfolio company, Jadestone Energy. As many of you know, Livermore Partners, along with hedge fund Tyrus Capital invested and restructured this company during the crude downturn. We have already create a very strong return but this deal looks to build upon it.

Since the activist process Livermore initiated in 2016, where we gained a Board seat, we have installed excellent management in the former APAC operating team of Talisman Energy and are now building a true APAC player. See belows news on deal specifics.

With this announced deal, Jadestone will list its shares in London and look to gain institutional interest.

The metrics are very compelling. JSE will now have a pro-forma cash flows of \$150mm and *free cash flows* nearing \$100mm. Which is very attractive(>3X EV/EBITDA) when looking at the equity value today prior to the halt for trading.

We are supporters of the deal. Livermore plans to commit further funds to the JSE equity raise and sees many organic levers to pull for the company. To further grow and prosper. Along with the future ability to begin a capital return program thru dividends.

Livermore is now open to new capital for both Jadestone and other exciting proactive investment opportunities(*more to come on that front soon*). To create absolute returns. So please let me know if you, or anyone you know has interest in our pursuit of value.

Thru Q2, Livermore is up 15%.

Sincerely,

David

PRESS RELEASE

EFTA00478389

Jadestone Energy Inc. to acquire the Montara Oil Project, Offshore Australia

 An oil tanker lies moored in Botany Bay

Published: July 16, 2018 5:02 a.m. ET

SINGAPORE, Jul 16, 2018 (FSCWire via Comtex) - SINGAPORE (FSCWire) - **Jadestone Energy Inc.** ("Jadestone" or the "Company"), an independent oil and gas production, development and exploration company focused on the Asia Pacific region with assets in Australia, Vietnam and the Philippines is pleased to announce that it has executed a definitive Sale and Purchase Agreement ("SPA") with certain subsidiaries of **PTT Exploration and Production Public Company Limited** ("**PTTEP**"), to acquire a 100% interest in the Montara oil project (the "Montara Oil Project" or the "Montara Assets"), offshore Australia via an asset acquisition (the "Acquisition") for a total cash consideration of US\$195 million, to be adjusted for working capital, with additional contingent consideration amounts payable dependent on certain production, oil price and future development milestones being achieved.

Paul Blakeley, President and Chief Executive of Jadestone, commented:

"Today's announced acquisition further strengthens our position in the Asia Pacific region and complements our existing balanced, low-risk portfolio of cash generative operated production and value-accretive development assets in the region.

"Asia Pacific is a highly-attractive, opportunity-rich region and, in line with our strict screening criteria, we believe the Montara Assets represents the ideal opportunity to deploy Jadestone's end-to-end technical and commercial capabilities to maximise value and returns for shareholders, as we've demonstrated to date with our existing, wholly owned and operated producing Stag field, offshore Australia.

"We have identified a number of material near-term opportunities to add significant value to the asset, including improved production uptime, operating cost reductions, and infill drilling, and longer-term more value creation options through future exploration, a potential gas cap blowdown and a regional hub development strategy. We expect field life to be extended by many years.

"While our attention now turns to executing our planned work programme for the Montara Assets, our immediate priority is to deliver, in joint cooperation with the current operator, a robust plan to ensure a smooth transfer, and continued safe operation of the fields.

"This is a really exciting time for Jadestone and the financing arrangements we announce today will strengthen our balance sheet and provide us the platform and capital flexibility to continue to execute our proven strategy. We have the right assets, right technical and commercial capabilities and right opportunities with major near-term value catalysts, to deliver significant shareholder value."

The Acquisition is in line with Jadestone's strategic objective to build a balanced, resilient portfolio of production and development assets with multiple reinvestment options in order to increase cash-flows, whilst maintaining a strong balance sheet.

Key Highlights

- Acquisition of 100% operated interest in the Montara Oil Project, offshore Australia covering three oil producing fields;
- 10.3 thousand barrels of oil per day ("mbbl/d") of OECD production and 2P reserves of 28.2 million barrels of oil ("MMbbl"), more than tripling Jadestone's production to 13.9 mbbl/d and increasing 2P reserves to 45.3 MMbbl;
- Purchase multiple of 1.6x 2017 EBITDA[1];

- Adds material immediate cash flow to the portfolio, significantly strengthening the Company's balance sheet;
- Significant upside identified, with multiple opportunities to realise incremental value through the deployment of Jadestone's second phase technical capabilities, many of which can be delivered within the first 12 months of operatorship;
- Opportunity to realise synergies with Jadestone's existing asset base through logistics optimisation, and rationalisation of onshore support operations;
- US\$120 million underwritten reserve based lending facility and proceeds from a proposed equity offering of US\$95 million (the "Equity Offering"); and
- Expected payback by Q4 2019 based on price assumptions in the competent persons report by ERCE dated 15 July 2018.

Reserve numbers for the Montara Oil Project above are from a reserves and resources report dated 16 July 2018 prepared for the Company, in accordance with NI 51-101 and the COGE Handbook, by ERC Equipose Pte. Ltd. ("ERCE"), a qualified reserves evaluator, with an effective date of 31 December 2017. A copy of this report is available on the Company's website, www.jadestone-energy.com.

[1] This is a non-GAAP financial measure which does not have a standardised measure under the Company's GAAP and is based on estimated Montara unaudited 2017 EBITDA of US\$118.7 million. This amount reconciles to an unaudited loss before tax of US\$(19.6) million, after deducting depletion, depreciation and amortisation charges of US\$132.9 million and finance costs of US\$5.4 million. The Company believes it is a useful metric to assess the economic value of the proposed acquisition.

Overview of the Montara Oil Project

The Montara Oil Project is located in production licences AC/L7 and AC/L8 (the "Montara Titles") in the Timor Sea, approximately 690 kilometres west of Darwin, and comprises three separate fields which are Montara, Skua and Swift/Swallow, produced through a centralised FPSO, the Montara Venture, which is owned by PTTEP and will be transferred to Jadestone on completion (together the "Montara Assets").

Overview of the Acquisition

The Acquisition will be effected via a transfer of assets in two stages. On completion of the Acquisition, PTTEP will transfer to the Company:

- a 99% legal and 100% beneficial right, title and interest in the Montara Titles; and
- a 100% legal and beneficial interest in the Montara Assets, excluding the Montara Titles.

Completion of the Acquisition is subject to regulatory approvals, including those from the TSX Venture Exchange and the National Offshore Petroleum Titles Administrator ("NOPTA") and FIRB approval. According to the current timetable, the transaction is expected to close in September / October 2018. The Acquisition will have an effective date of the 1 January 2018.

The remaining 1% legal interest in the Montara Titles will be held on trust by PTTEP, in favour of the Company, until Australian regulatory approvals relating to the transfer of operatorship of the Montara Asset from PTTEP to the Company are obtained from The National Offshore Petroleum Safety and Environmental Management Authority ("NOPSEMA").

As an existing NOPTA and NOPSEMA approved operator, Jadestone is committed to working closely with PTTEP and the Australian regulators to develop a robust Safety Case, Environmental Plan and Well Operations Management Plan for

the Montara Assets, in order to satisfy the stringent offshore regulatory requirements and ensure the safe transfer of operations from PTTEP to the Company.

The Company has also entered into an Operator and Transitional Services Agreement (the "OTSA") with PTTEP which will govern the operation and management of the Montara Assets and the provision of transitional services in the period from completion until the transfer of operatorship.

The Acquisition is to be financed through a US\$120 million underwritten reserve based lending facility to be provided by Commonwealth Bank of Australia and Société Générale, and proceeds from a proposed equity offering of US\$95 million (the "Equity Offering").

Stifel Nicolaus Europe Limited ("Stifel") and BMO Capital Markets Limited ("BMO") have been appointed joint bookrunners in relation to the proposed Equity Offering, which will be completed in conjunction with an additional listing of the Company's shares on the AIM Market of the London Stock Exchange ("AIM").

Details of the Company's intention to admit shares to AIM and the concurrent Equity Offering, including additional details relating to the Acquisition and the Company's current trading and prospects, are being announced separately and can be found on the Company's website.

Trading of the Company's shares has been halted on the TSX Venture Exchange as the Acquisition will constitute a Fundamental Acquisition under the rules of the TSX Venture Exchange. It is anticipated that the Company's shares will resume trading concurrent with the closing of the Equity Offering.

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